

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2411 – SB 2331

March 7, 2016

SUMMARY OF ORIGINAL BILL: Requires the Department of Revenue to submit a report by February 1, 2017, and by February 1 of subsequent years, to the Chairs of the Transportation Committee of the House of Representatives and the Transportation and Safety Committee of the Senate identifying the collegiate plates that are currently administratively issued and the collegiate plates that, within the previous five years, have been administratively issued by the Department and are no longer administratively issued and have been deemed obsolete and invalid. Authorizes the report to be submitted electronically.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENTS (012172, 013336): Amendment 012172 deletes all language of the original bill. Authorizes a nonprofit religious organization to obtain a special purpose license plate, in lieu of registering the vehicle, for the following purposes: to transport the vehicle between a prior or subsequent owner and the organization; to transport the vehicle between the organization and a location where cleaning, repairing, or preparation is performed; or to test the vehicle within a 20-mile radius of the location where the cleaning, repairing, or preparation is performed. Imposes a fee of \$47.30 for the first plate and \$23.65 for each additional plate. Limits a nonprofit religious organization to a maximum of three plates each year. Establishes the plate design and the effective date of May 1, 2016.

Amendment 013336 deletes the effective date of May 1, 2016, as established by the bill as amended by amendment 012172, and establishes an effective date of July 1, 2016.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Increase State Revenue – \$1,000/Recurring

Increase State Expenditures – \$1,000/One-Time

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Assumptions for the bill as amended:

- It is estimated that there are approximately 12 nonprofit religious organizations that would qualify to obtain the special purpose license plate under this bill as amended.
- In addition to the base fees of \$47.30 for the first plate and \$23.65 for the second and third plates, there are additional fees for reflectors, issuance, and systems totaling \$2.75 per plate. The total fees are estimated to be \$50.05 (\$47.30 + \$2.75) for the first plate and \$26.40 (\$23.65 + \$2.75) for the second and third plates.
- It is estimated that 10 organizations will purchase three plates each every year.
- The resulting recurring increase in state revenue to the General Fund is estimated to be \$1,028.50 [(10 plates x \$50.05) + (20 plates x \$26.40)].
- The Department of Revenue will produce an inventory of plates, sufficient to cover eight years of estimated demand. The total initial production is estimated to be 240 (8 years x 30 plates per year).
- The cost of production and distribution of such plates is estimated to be \$4.25 per plate, for a total one-time increase in state expenditures from the General Fund of \$1,020 (240 plates x \$4.25).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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